

SEC. 845. QUALIFIED MORTGAGE BONDS FOR REFINANCING OF SUBPRIME LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 143(k)(12) is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2010.

TITLE IX—OTHER PROVISIONS**SEC. 901. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS.**

(a) REPEAL OF PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.—Subsection (b) of section 9006 of the Patient Protection and Affordable Care Act, and the amendments made thereby, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subsection, and amendments, had never been enacted.

(b) REPEAL OF APPLICATION TO CORPORATIONS; APPLICATION OF REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006(a) of the Patient Protection and Affordable Care Act and section 2101 of the Small Business Jobs Act of 2010, is amended by striking subsections (i) and (j) and inserting the following new subsection:

“(i) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be appropriate or necessary to carry out the purposes of this section, including rules to prevent duplicative reporting of transactions.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after December 31, 2010.

SEC. 902. REPEAL OF SUNSET ON TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 671 of such Act (relating to tax treatment and information requirements of Alaska Native Settlement Trusts).

SEC. 903. REPEAL OF SUNSET ON EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 802 of such Act (relating to expansion of authority to postpone certain tax-related deadlines by reason of Presidentially declared disaster).

SEC. 904. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

(a) IN GENERAL.—Subchapter A of chapter 65 is amended by adding at the end the following new section:

“SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

“Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds.”.

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

“Sec. 6409. Refunds disregarded in the administration of Federal programs and federally assisted programs.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 2009.

SEC. 905. TREATMENT OF SECURITIES OF A CONTROLLED CORPORATION EXCHANGED FOR ASSETS IN CERTAIN REORGANIZATIONS.

(a) IN GENERAL.—Section 361 (relating to nonrecognition of gain or loss to corporations; treatment of distributions) is amended by adding at the end the following new subsection:

“(d) SPECIAL RULES FOR TRANSACTIONS INVOLVING SECTION 355 DISTRIBUTIONS.—In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355—

“(1) this section shall be applied by substituting ‘stock other than nonqualified preferred stock (as defined in section 351(g)(2))’ for ‘stock or securities’ in subsections (a) and (b)(1), and

“(2) the first sentence of subsection (b)(3) shall apply only to the extent that the sum of the money and the fair market value of the other property transferred to such creditors does not exceed the adjusted bases of such assets transferred (reduced by the amount of the liabilities assumed (within the meaning of section 357(c))).”.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 361(b) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to exchanges after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on December 31, 2010, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before December 2, 2010, or

(C) described on or before December 31, 2010, in a public announcement or in a filing with the Securities and Exchange Commission.

TITLE X—BUDGETARY PROVISIONS**SEC. 1001. DETERMINATION OF BUDGETARY EFFECTS.**

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ‘Budgetary Effects of PAYGO Legislation’ for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 1002. EMERGENCY DESIGNATIONS.

(a) STATUTORY PAYGO.—The provisions of this Act other than those that qualify for the current policy adjustments under section 7 of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111-139; 2 U.S.C. 933(g)) are designated as an emergency requirement pursuant to section 4(g) of such Act (Public Law 111-139; 2 U.S.C. 933(g)).

(b) HOUSE OF REPRESENTATIVES.—In the House of Representatives, this Act is designated as an emergency for purposes of pay-as-you-go principles.

(c) SENATE.—In the Senate, this Act is designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SA 4728. Mr. REID (for Mr. SCHUMER (for himself, Ms. STABENOW, and Mr.

MENENDEZ)) proposed an amendment to amendment SA 4727 proposed by Mr. BAUCUS (for Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Ms. STABENOW, Mr. SCHUMER, and Mr. MENENDEZ)) to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority to the Airport and Airway Trust Fund to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes; as follows:

Strike all after the first word and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Middle Class Tax Cut Act of 2010”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

- Sec. 101. Repeal of sunset on certain individual income tax rate relief.
- Sec. 102. Reduced rates on capital gains and dividends made permanent.
- Sec. 103. Repeal of sunset on expansion of child tax credit.
- Sec. 104. Repeal of sunset on marriage penalty relief.
- Sec. 105. Repeal of sunset on expansion of dependent care credit.
- Sec. 106. Repeal of sunset on expansion of adoption credit and adoption assistance programs.
- Sec. 107. Repeal of sunset on employer-provided child care credit.
- Sec. 108. Repeal of sunset on expansion of earned income tax credit.

TITLE II—PERMANENT EDUCATION TAX RELIEF

- Sec. 201. Repeal of sunset on education individual retirement accounts.
- Sec. 202. Repeal of sunset on employer-provided educational assistance.
- Sec. 203. Repeal of sunset on student loan interest deduction.
- Sec. 204. Repeal of sunset on exclusion of certain scholarships.
- Sec. 205. Repeal of sunset on arbitrage rebate exception for governmental bonds.
- Sec. 206. Repeal of sunset on treatment of qualified public educational facility bonds.
- Sec. 207. Repeal of sunset on American Opportunity Tax Credit.
- Sec. 208. Repeal of sunset on allowance of computer technology and equipment as a qualified higher education expense for section 529 accounts.

TITLE III—PERMANENT ESTATE TAX RELIEF

- Sec. 301. Repeal of EGTRRA sunset.
- Sec. 302. Reinstatement of estate tax; repeal of carryover basis.
- Sec. 303. Modifications to estate, gift, and generation-skipping transfer taxes.
- Sec. 304. Applicable exclusion amount increased by unused exclusion amount of deceased spouse.